

STATEMENT OF PURPOSE

RS18600

This is a revenue generating bill to address the increasing shortfall in money to maintain and preserve Idaho highways. It is intended to raise the Idaho motor fuel tax from twenty-five (25) cents to twenty-seven (27) cents per gallon, effective July 1, 2009. The following are conditions for the funds raised by this two (2) cent increase: 1) Except for a small portion of the funds that go to administrative costs per statute, the funds will be distributed as follows: 60% to the Idaho Transportation Department and 40% to local government units. 2) All of the 60% portion going to the Idaho Transportation Department will be placed in a dedicated fund established for maintenance, preservation, and restoration of state highways. The Idaho Transportation Department may not spend any of this money on roads until the Department implements a statewide coordinated pavement management system.

FISCAL NOTE

This bill will result in an estimated revenue increase of \$17.6 million, with \$10.6 million going to the Idaho Transportation Department.

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